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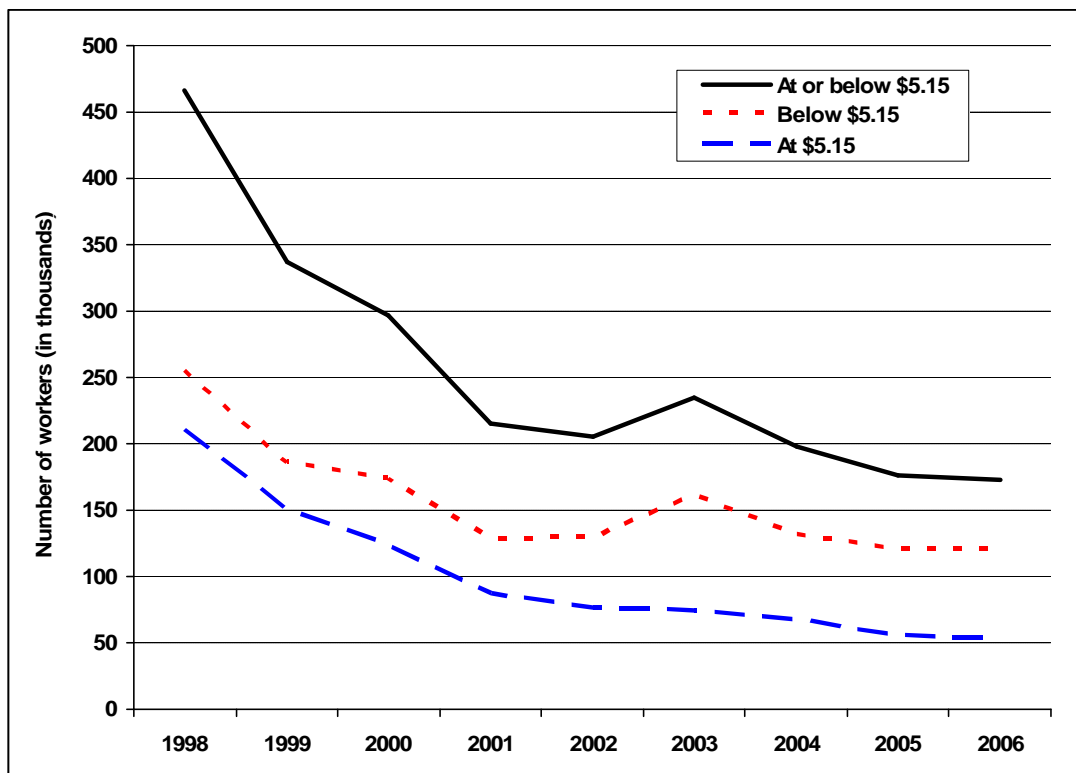
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MINIMUM WAGE WORKERS IN TEXAS: 2006

In 2006, 173,000 hourly-paid workers in Texas had earnings at or below the Federal minimum wage of \$5.15 per hour, according to the U.S. Department of Labor's Bureau of Labor Statistics. (See chart A.) In the State, 5.7 million workers were paid at hourly rates, representing about 57 percent of all wage and salary workers¹. Regional Commissioner Stanley W. Suchman noted that workers paid at or below \$5.15 per hour accounted for 3.0 percent of all hourly-paid workers in Texas².

Chart A. Employed wage and salary workers¹ paid hourly rates with earnings at or below the Federal minimum wage of \$5.15 in Texas, annual averages, 1998-2006



¹ Data are for wage and salary workers, excluding the incorporated self-employed, and refer to earnings on a person's sole or principal job.

² It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law.

According to Current Population Survey (CPS) estimates for 2006, 76.5 million workers in the United States were paid at hourly rates, representing about 60 percent of all wage and salary workers. Of those paid by the hour, 409,000 were reported as earning exactly \$5.15, the prevailing Federal minimum wage. Another 1.3 million were reported as earning wages below the minimum. Together, these 1.7 million workers with wages at or below the minimum made up 2.2 percent of all hourly-paid workers.

Table A. Employed wage and salary workers¹ paid hourly rates with earnings at or below the Federal minimum wage of \$5.15 per hour, and median earnings of all hourly-paid workers in Texas, annual averages, 1998-2006

Texas	At or below \$5.15 per hour (number of workers in thousands)			All hourly-paid workers	
	Total	Under \$5.15	At \$5.15	Number of workers (thousands)	Median earnings (in dollars)
Total, both sexes					
1998	466	255	211	5,055	\$8.23
1999	337	186	151	4,990	8.54
2000	297	174	123	5,112	9.01
2001	215	128	87	5,101	9.48
2002	205	129	76	5,002	9.76
2003	235	161	74	5,258	9.82
2004	198	131	67	5,293	9.95
2005	176	121	55	5,467	10.04
2006	173	121	52	5,724	10.22
Men					
1998	186	108	78	2,660	\$8.97
1999	120	68	52	2,560	9.35
2000	114	70	44	2,667	9.83
2001	90	50	40	2,712	10.11
2002	82	61	21	2,623	10.11
2003	96	70	26	2,704	10.18
2004	77	48	29	2,753	10.41
2005	67	48	19	2,835	10.87
2006	69	47	22	3,011	11.18
Women					
1998	280	147	133	2,395	\$7.50
1999	217	118	99	2,430	7.84
2000	183	104	79	2,445	8.18
2001	125	78	47	2,389	8.55
2002	123	68	55	2,379	8.90
2003	139	91	48	2,553	8.95
2004	122	84	38	2,541	9.33
2005	110	73	37	2,632	9.24
2006	104	74	30	2,713	9.80

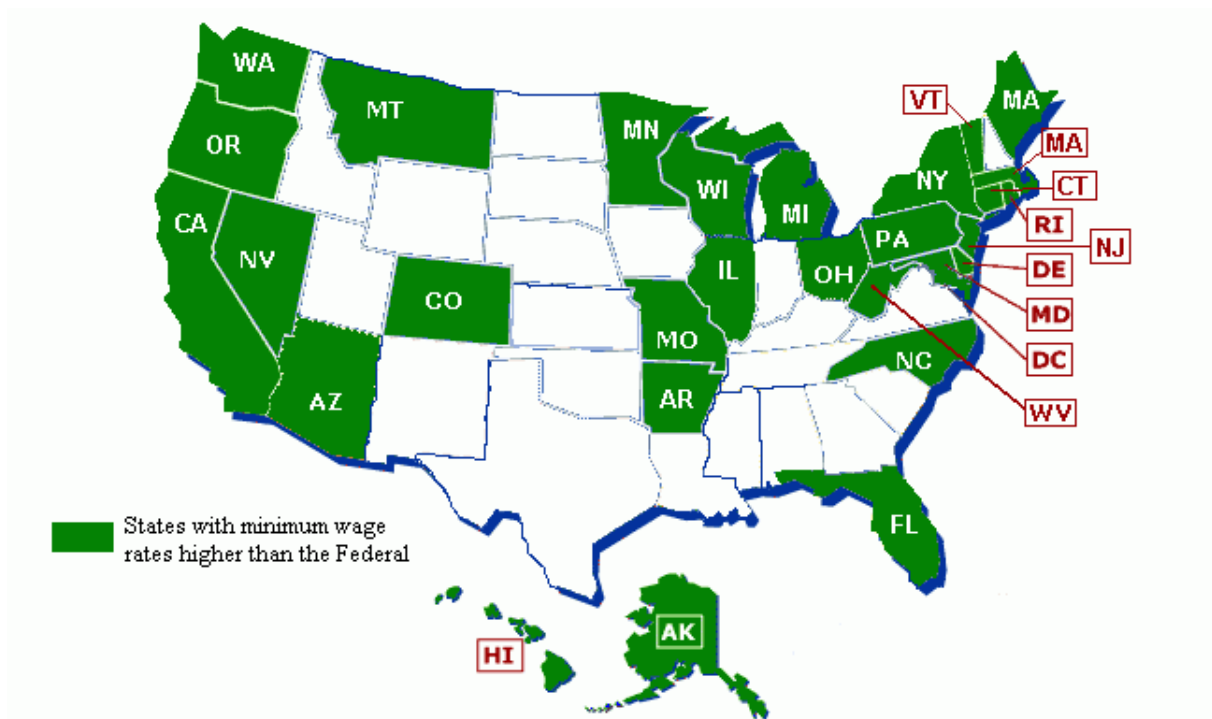
¹ All self-employed persons are excluded, regardless of whether or not their business is incorporated.

Women accounted for 104,000 (about 60 percent) of the hourly-paid workers who earned the prevailing Federal minimum wage or less in Texas in 2006, and men numbered 69,000. The numbers for both these groups have decreased by more than 60 percent since 1998. (See table A.) Matching these numerical declines is the drop in the respective percentages of workers earning the Federal minimum wage or less. In 1998, 11.7 percent of all women paid hourly wages and 7.0 percent of all men earned \$5.15 or less; by 2006, these proportions had fallen considerably—to 3.8 percent for women and 2.3 percent for men.

Overall, Texas wage and salary workers paid hourly rates³ had median hourly earnings of \$10.22 in 2006; nationally, the median was \$11.76. The median hourly rates for men and for women in Texas in 2006 were \$11.18 and \$9.80, respectively. (See table A.) For the U.S. as a whole, the comparable figures were \$12.68 for men and \$10.65 for women.

Among the 50 states and the District of Columbia in 2006, Arkansas had the highest proportion of hourly-paid workers earning at or below \$5.15 per hour (3.7 percent), followed by Alabama at 3.6 percent. In addition to Arkansas, three states bordering Texas – Oklahoma, Louisiana, and New Mexico – were also among the top eight nationwide, with proportions ranging from 3.2 to 3.5 percent of hourly-paid workers. Texas, along with Tennessee, West Virginia, and the District of Columbia, had 3.0 percent of all hourly-paid workers earning at or below the Federal minimum and ranked 11th highest. (See table 1.) Minnesota and California were at the low end, with less than 1 percent of hourly-paid workers earning the Federal minimum or below. It should be noted that as of January 1, 2007, 29 states and the District of Columbia had laws establishing minimum wage standards that exceeded the Federal level of \$5.15 per hour⁴. (See chart B.)

Chart B. States with minimum wage rates above the Federal minimum of \$5.15 per hour, January 1, 2007



³ Wages rates in this release use median values. The median is the middle of a distribution: half the scores are above the median and half are below the median. The median is less sensitive to extreme wages than the mean; this makes it a better measure than the mean for highly skewed distributions.

⁴ Minimum wage standards applicable to nonsupervisory *Nonfarm Private Sector* employment under State and Federal laws as of January 1, 2007, according to the U.S. Department of Labor's Employment Standards Administration, Wage and Hour Division.

Technical Note

The Bureau of Labor Statistics' data on minimum wage earners are derived from the Current Population Survey (CPS), a nationwide sample survey of households that includes questions enabling the identification of hourly-paid workers and their hourly wage rate. Data in this summary are annual averages.

It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law. Indeed, the relatively large number of workers in the United States with reported wages below the minimum in 2006 includes about 250,000 hourly-paid workers reported as earning exactly \$5.00 per hour; to some extent, this may reflect rounding in the responses of survey participants. Data exclude the incorporated self-employed.

The estimates of the numbers of minimum and subminimum wage workers presented in the accompanying tables pertain to workers paid at hourly rates; salaried and other non-hourly workers are excluded. As such, the actual number of workers with earnings at or below the prevailing minimum is undoubtedly understated. Research has shown that a relatively smaller number and share of salaried workers and others not paid by the hour have earnings that, when translated into hourly rates, are at or below the minimum wage. However, BLS does not routinely estimate hourly earnings for non-hourly workers because of data concerns that arise in producing these estimates. For further information, see Steven Haugen and Earl Mellor, "Estimating the number of minimum wage workers," *Monthly Labor Review*, January 1990 ([PDF 415K](#)).

The prevailing Federal minimum wage was \$2.90 in 1979, \$3.10 in 1980, and \$3.35 in 1981-89. The minimum wage rose to \$3.80 in April 1990, \$4.25 in April 1991, \$4.75 in October 1996, and \$5.15 in September 1997.

Minimum wage information is available through our regional Web site at <http://www.bls.gov/ro6/home.htm>. If you have additional questions, you can contact the Southwest Information Office at 214-767-6970. Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage, by State, 2006 annual averages

State	Number of workers (in thousands)				Percent distribution				Percent of workers paid hourly rates		
	Total paid hourly rates	At or below \$5.15 per hour			Total paid hourly rates	At or below \$5.15 per hour			At or below \$5.15 per hour		
		Total	At \$5.15	Below \$5.15		Total	At \$5.15	Below \$5.15	Total	At \$5.15	Below \$5.15
Total, 16 years and over	76,514	1,692	409	1,283	100.0	100.0	100.0	100.0	2.2	0.5	1.7
Alabama	1,202	43	13	30	1.6	2.5	3.2	2.3	3.6	1.1	2.5
Alaska	199	2	1	1	0.3	0.1	0.2	0.1	1.0	0.5	0.5
Arizona	1,589	53	12	41	2.1	3.1	2.9	3.2	3.3	0.8	2.6
Arkansas	699	26	12	14	0.9	1.5	2.9	1.1	3.7	1.7	2.0
California	8,562	60	10	50	11.2	3.5	2.4	3.9	0.7	0.1	0.6
Colorado	1,149	37	8	29	1.5	2.2	2.0	2.3	3.2	0.7	2.5
Connecticut	914	13	2	11	1.2	0.8	0.5	0.9	1.4	0.2	1.2
Delaware	231	6	1	5	0.3	0.4	0.2	0.4	2.6	0.4	2.2
District of Columbia	100	3	1	2	0.1	0.2	0.2	0.2	3.0	1.0	2.0
Florida	4,474	92	10	82	5.8	5.4	2.4	6.4	2.1	0.2	1.8
Georgia	2,127	55	5	50	2.8	3.3	1.2	3.9	2.6	0.2	2.4
Hawaii	347	4	1	3	0.4	0.2	0.2	0.2	1.2	0.3	0.9
Idaho	425	13	5	8	0.6	0.8	1.2	0.6	3.1	1.2	1.9
Illinois	3,251	76	14	62	4.2	4.5	3.4	4.8	2.3	0.4	1.9
Indiana	1,826	34	8	26	2.4	2.0	2.0	2.0	1.9	0.4	1.4
Iowa	941	21	3	18	1.2	1.2	0.7	1.4	2.2	0.3	1.9
Kansas	780	23	6	17	1.0	1.4	1.5	1.3	2.9	0.8	2.2
Kentucky	1,175	26	8	18	1.5	1.5	2.0	1.4	2.2	0.7	1.5
Louisiana	994	33	12	21	1.3	2.0	2.9	1.6	3.3	1.2	2.1
Maine	397	9	1	8	0.5	0.5	0.2	0.6	2.3	0.3	2.0
Maryland	1,316	22	1	21	1.7	1.3	0.2	1.6	1.7	0.1	1.6
Massachusetts	1,619	35	1	34	2.1	2.1	0.2	2.7	2.2	0.1	2.1
Michigan	2,830	72	16	56	3.7	4.3	3.9	4.4	2.5	0.6	2.0
Minnesota	1,569	13	3	10	2.1	0.8	0.7	0.8	0.8	0.2	0.6
Mississippi	652	19	10	9	0.9	1.1	2.4	0.7	2.9	1.5	1.4
Missouri	1,581	36	12	24	2.1	2.1	2.9	1.9	2.3	0.8	1.5
Montana	285	6	5	1	0.4	0.4	1.2	0.1	2.1	1.8	0.4
Nebraska	549	15	3	12	0.7	0.9	0.7	0.9	2.7	0.5	2.2
Nevada	730	15	11	4	1.0	0.9	2.7	0.3	2.1	1.5	0.5
New Hampshire	370	8	1	7	0.5	0.5	0.2	0.5	2.2	0.3	1.9
New Jersey	1,829	36	5	31	2.4	2.1	1.2	2.4	2.0	0.3	1.7
New Mexico	498	16	6	10	0.7	0.9	1.5	0.8	3.2	1.2	2.0
New York	4,166	67	11	56	5.4	4.0	2.7	4.4	1.6	0.3	1.3
North Carolina	2,246	52	12	40	2.9	3.1	2.9	3.1	2.3	0.5	1.8
North Dakota	187	6	2	4	0.2	0.4	0.5	0.3	3.2	1.1	2.1
Ohio	3,426	93	29	64	4.5	5.5	7.1	5.0	2.7	0.8	1.9
Oklahoma	869	30	10	20	1.1	1.8	2.4	1.6	3.5	1.2	2.3
Oregon	1,021	10	-	10	1.3	0.6	-	0.8	1.0	-	1.0
Pennsylvania	3,456	96	35	61	4.5	5.7	8.6	4.8	2.8	1.0	1.8
Rhode Island	321	7	-	7	0.4	0.4	-	0.5	2.2	-	2.2
South Carolina	1,076	33	4	29	1.4	2.0	1.0	2.3	3.1	0.4	2.7
South Dakota	243	6	2	4	0.3	0.4	0.5	0.3	2.5	0.8	1.6
Tennessee	1,616	49	16	33	2.1	2.9	3.9	2.6	3.0	1.0	2.0
Texas	5,724	173	52	121	7.5	10.2	12.7	9.4	3.0	0.9	2.1
Utah	724	17	4	13	0.9	1.0	1.0	1.0	2.3	0.6	1.8
Vermont	199	3	-	3	0.3	0.2	-	0.2	1.5	-	1.5
Virginia	1,840	51	10	41	2.4	3.0	2.4	3.2	2.8	0.5	2.2
Washington	1,795	23	2	21	2.3	1.4	0.5	1.6	1.3	0.1	1.2
West Virginia	463	14	7	7	0.6	0.8	1.7	0.5	3.0	1.5	1.5
Wisconsin	1,781	34	3	31	2.3	2.0	0.7	2.4	1.9	0.2	1.7
Wyoming	152	4	1	3	0.2	0.2	0.2	0.2	2.6	0.7	2.0

NOTE: All self-employed persons are excluded, regardless of whether or not their business is incorporated. Users are reminded that these data are based on a sample and are therefore subject to sampling error; the degree of error may be quite large for less populous States. Dash indicates no data or data that do not meet publication criteria.